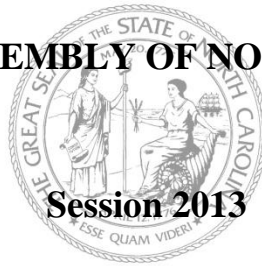


# GENERAL ASSEMBLY OF NORTH CAROLINA



## **FISCAL ANALYSIS MEMORANDUM**

[This confidential fiscal memorandum is a fiscal analysis of a draft bill, amendment, committee substitute, or conference committee report that has not been formally introduced or adopted on the chamber floor or in committee. This is not an official fiscal note. If upon introduction of the bill you determine that a formal fiscal note is needed, please make a fiscal note request to the Fiscal Research Division, and one will be provided under the rules of the House and the Senate.]

**DATE:** June 4, 2013

**TO:** Senate Finance Committee

**FROM:** Rodney Bizzell  
Fiscal Research Division

**RE:** House Bill 200 (Second Edition)

**FISCAL IMPACT**

(\$ in millions)

☒ Yes☐ No☒ No Estimate Available

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
<b>State Impact</b>					
General Fund Revenues:					
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
<b>NET STATE IMPACT</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

<b>Local Impact</b>					
Revenues:					
Expenditures:					
<b>NET LOCAL IMPACT</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:** Mecklenburg County;  
NC Dept of Revenue

**EFFECTIVE DATE:** Becomes effective when law.

**TECHNICAL CONSIDERATIONS:**

None

**BILL SUMMARY:**

HB 200 would require counties to retroactively change appraisals valued during the county's last general reappraisal if the county has independent evidence of significant inequity issues or erroneous data related to a reappraisal performed for one of the previous five tax years. Affected counties would have the option to conduct a reappraisal or have a qualified appraisal company conduct a review of values and make recommendations for adjustments.

If the county determines that a parcel has been overvalued, the county must repay the overpayment with 5% interest per annum. If a property was found to be undervalued, additional taxes will be treated as taxes on discovered property pursuant to 105-312.

**ASSUMPTIONS AND METHODOLOGY:**

According to the Department of Revenue, Mecklenburg County is the only county that would be affected by the bill. The county commissioned a report which concluded the 2011 reappraisal was impacted by commercial and residential neighborhoods with significant inequity issues or

erroneous data that affected valuations. HB 200 would require Mecklenburg County to conduct a reappraisal or contract with an appraisal company to make any adjustments to tax values necessary to ensure that the assessed values reflect the true values effective for the year of the last general reappraisal.

In the case of overvalued properties, the county must refund overpayments. The interest rate for overpayments is 5% per annum. For undervalued parcels, the taxpayer would be responsible for the amount of underpayment; interest would not accrue until the following due date for tax payments, which would be January 6<sup>th</sup>.

Data sufficient to determine the fiscal impact to Mecklenburg County will not be available until appraisal adjustments are made and corrected property values are determined. Therefore, Fiscal Research is unable to estimate the fiscal impact of the legislation.

**SOURCES OF DATA:** NC Department of Revenue

**TECHNICAL CONSIDERATIONS:** None

